

INTERIM
DIRECTORS'
REPORT
MARCH 2011

GRUPPO

CREDEM

Credito Emiliano SpA
Credito Emiliano Banking Group - Credem
3032 - Joint stock company

Registered Office and Headquarters:

Via Emilia San Pietro no. 4 - 42100 Reggio Emilia
Fully paid-up share capital € 332,392,107
Taxpayer's Code 01806740153 - VAT Number 00766790356
ABI Code 3032
Bank enrolled in the Banks Register under no. 5350
Bank enrolled in the Banking Groups Register under no. 3032
Participant in the Interbank Deposit Protection Fund
Tel.0522 5821 - Telefax 0522 433969 - Telex BACDIR 530658 – Swift Code BACRIT22
Internet site: www.credem.it

CONTENTS

Board of Directors, Board of Statutory Auditors, Senior Management, Manager responsible for preparing the company's financial reports, independent auditors	5
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INTERIM DIRECTORS' REPORT 7

Scope of consolidation	8
------------------------	---

Consolidated report

• Balance sheet, Income statement and Statement of comprehensive income	11
• Statement of changes in shareholders' equity	16
• Notes to the financial statements	17

Statement, pursuant to article 154-bis, second paragraph, of legislative decree no. 58 of 24 February 1998, of the Manager responsible for preparing the company's financial reports	45
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ATTACHMENTS 49

Separate financial statements	51
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BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS, SENIOR MANAGEMENT, MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS, INDEPENDENT AUDITORS

BOARD OF DIRECTORS

Chairman	Giorgio Ferrari	
Vice Chairmen	Luigi Maramotti*	Franco Terrachini*
Directors	Romano Alfieri Enrico Corradi* Anacleto Fontanesi* Alberto Milla Giovanni Tadolini* Lucio Zanon di Valgiurata*	Vincenzo Calandra Buonauro** Guido Corradi* Ugo Medici** Benedetto Renda Giovanni Viani**
Secretary	Ottorino Righetti	

* Members of the Executive Committee

** Independent directors pursuant to art. 148, paragraph 3, Legislative Decree no. 58/1998 (Consolidated Financial Act)

BOARD OF STATUTORY AUDITORS

Chairman	Gianni Tanturli	
Auditors	Maurizio Bergomi	Giulio Morandi
Alternate auditors	Vittorio Guidetti	Tiziano Scalabrini

SENIOR MANAGEMENT

General Manager	Adolfo Bizzocchi	
Central Managers	Giuliano Baroni Nazzareno Gregori	Angelo Campani
Central Co-Managers	Marco Braglia Stefano Pilastrì	Stefano Morellini
Deputy Central Managers	Giuliano Cassinadri Rossano Zanichelli	Ferdinando Rebecchi

MANAGER responsible for preparing the company's financial reports

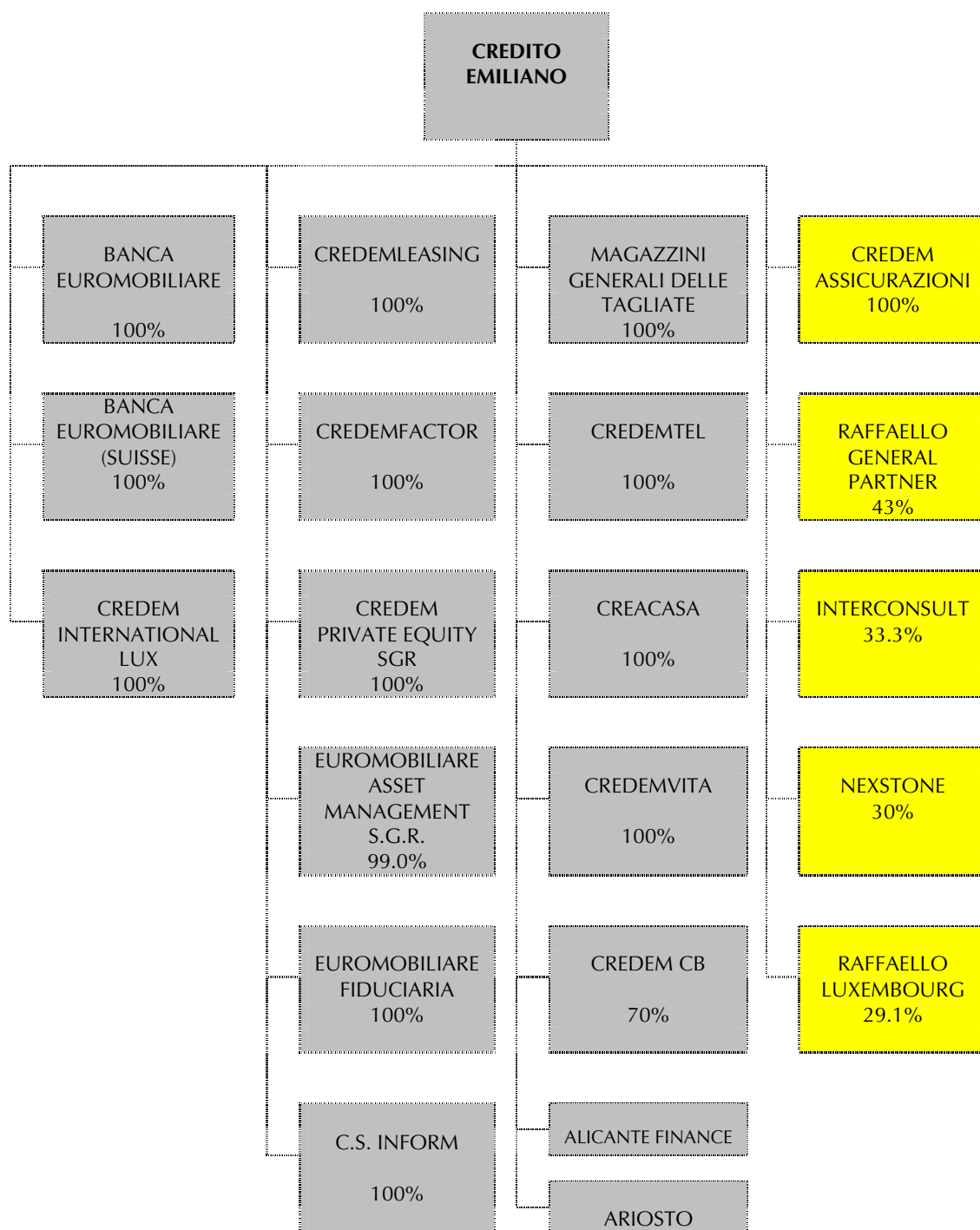
Paolo Tommasini

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

INTERIM
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SCOPE OF CONSOLIDATION



Notes:

- the percentages refer to directly or indirectly exercisable voting rights.
- the highlighted equity investments are valued using the equity method.
- In accordance with IAS 27 and SIC 12, Ariosto and Alicante, special purpose entities pursuant to Law 130, were considered as controlled by Credem and, as such, were included within the scope of consolidation.

On 26 March 2011, Abaxbank merged into Credito Emiliano.

On 31 March 2008, Credem completed the purchase of the remaining 50% of Credemassicurazioni's share capital from Assurance Mutuelles; as a result, the equity investment in said company rose from 50% to 100%.

Also in March 2008, Credem and Reale Mutua Assicurazioni signed a bancassurance agreement aimed at the joint development of the non-life segment. In accordance with the agreement, Reale Mutua Assicurazioni purchased 50% of

Credemassicurazioni which is controlled jointly by the two Groups, following the necessary authorisations issued by the Supervisory Authorities at the end of July, and is subject to a joint control after the conclusion of a specific shareholders' agreement. The agreement provides for the issue of a put option by Credem to the purchaser, to be exercised for a six-month period from the end of the third year of the equity investment transfer date. The exercise price of the option is equal to the total amount of the investment made by the purchaser, net of dividends cashed before the exercise date of the above mentioned option and added with interest due between each single payment and the exercise date of the option itself. According to International accounting standards, this situation is classified as one of "continuing involvement", which does not allow derecognition of the equity investment in Credemassicurazioni by Credem, up to the expiry of the aforementioned option.

Following the afore-mentioned information and pursuant to IAS 31, as at 31 March 2011, the Bank consolidated its total equity investment in Credemassicurazioni under equity method.

BALANCE
SHEET
INCOME
STATEMENT

Balance Sheet (in €/thousand)

	Asset	03/31/2011	12/31/2010
10.	Cash and cash equivalents	109,971	135,334
20.	Financial assets held for trading	812,522	830,852
30.	Financial assets valued at fair value	1,054,407	1,020,438
40.	Available-for-sale financial assets	6,706,040	6,584,605
60.	Due from banks	734,117	937,345
70.	Loans to customers	19,554,891	18,883,850
80.	Hedging derivatives	17,247	72,182
90.	Value adjustments to financial assets subject to macro-hedging (+/-)	20,754	39,575
100.	Equity investments	20,674	19,435
110.	Technical reserves attributable to reinsurers	994	914
120.	Tangible assets	323,431	327,076
130.	Intangible assets	363,661	365,995
	- of which: goodwill	287,295	287,295
140.	Tax assets	200,842	231,870
	a) current	81,824	83,073
	b) prepaid	119,018	148,797
160.	Other assets	620,457	548,763
	Total assets	30,540,008	29,998,234

Balance Sheet (in €/thousand)

	Liabilities and shareholders' equity	03/31/2011	12/31/2010
10.	Due to banks	7,552,561	7,716,866
20.	Due to customers	12,396,046	11,883,047
30.	Outstanding securities	3,980,218	3,994,911
40.	Financial liabilities held for trading	295,195	362,782
50.	Financial liabilities valued at fair value	1,445,608	1,440,551
60.	Hedging derivatives	150,615	252,985
70.	Value adjustments to financial liabilities subject to macro-hedging (+/-)	-16,134	21,405
80.	Tax liabilities	116,886	106,563
	a) current	52,471	44,554
	b) deferred	64,415	62,009
100.	Other liabilities	1,185,522	835,798
110.	Staff termination indemnity	80,544	83,114
120.	Provisions for risks and charges:	115,745	116,492
	a) pensions and similar	1,878	1,880
	b) other provisions	113,867	114,612
130.	Technical reserves	1,371,007	1,380,189
140.	Valuation reserves	-52,211	-118,451
170.	Reserves	1,272,063	1,228,300
180.	Share premium reserve	283,052	283,052
190.	Share capital	332,392	332,392
210.	Minority interests (+/-)	300	285
220.	Profit (loss) of the period	30,599	77,953
	Total liabilities and shareholders' equity	30,540,008	29,998,234

Income statement (in €/thousand)

	Items	03/31/2011	03/31/2010
10.	Interest income and similar revenues	185,451	164,397
20.	Interest expense and similar charges	(62,509)	(47,535)
30.	Interest margin	122,942	116,862
40.	Commission income	115,786	112,107
50.	Commission expense	(25,830)	(21,198)
60.	Net commissions	89,956	90,909
70.	Dividends and similar revenues	24	40
80.	Net result from trading activities	10,513	396
90.	Net result from hedging activities	483	(1,379)
100.	Profit (loss) from sale or repurchase of:	2,683	10,605
	b) available-for-sale financial assets	1,946	10,660
	d) financial liabilities	737	(55)
110.	Net result from financial assets and liabilities valued at fair value	(4,634)	4,908
120.	Operating income	221,967	222,341
130.	Net value adjustments/write-backs due to impairment of:	(6,847)	(25,392)
	a) loans	(6,184)	(25,383)
	b) available for sale financial assets	6	-
	d) other financial transactions	(669)	(9)
140.	Net income from banking activities	215,120	196,949
150.	Net premiums	73,304	149,900
160.	Other income/expenses from insurance activities	(74,397)	(162,750)
170.	Net income from banking and insurance activities	214,027	184,099
180.	Administrative costs:	(164,997)	(158,926)
	a) personnel costs	(108,396)	(101,779)
	b) other administrative costs	(56,601)	(57,147)
190.	Net provisions for risks and charges	(2,234)	(391)
200.	Net value adjustments/write-backs to tangible assets	(3,892)	(3,816)
210.	Net value adjustments/write-backs to intangible assets	(3,277)	(3,007)
220.	Other operating income/charges	13,031	19,266
230.	Operating costs	(161,369)	(146,874)
240.	Profit (loss) from equity investments	930	505
270.	Profit (Loss) from disposal of investments	66	1
280.	Profit (loss) before tax from continuing operations	53,654	37,731
290.	Taxes on income from continuing operations	(23,041)	(17,604)
300.	Profit (loss) after-tax from continuing operations	30,613	20,127
320.	Profit (loss) for the period	30,613	20,127
330.	Profit (loss) attributable to minority interests	(14)	(20)
340.	Profit (loss) attributable to the parent company	30,599	20,107

In application of the Banca d'Italia circular dated 17 February 2010, in the part relating to the accounting treatment of some costs functionally linked to personnel, in 2010, several costs were reclassified from "other administrative costs" to "personnel costs"; the same costs in 2010, amounting to € 1,811 thousand, have been reclassified under "personnel costs".

Consolidated statement of comprehensive income (in €/thousand)

Items	31/03/2010	31/03/2010
10. Profit (loss) for the period	30,613	20,127
Other income components net of taxes		
20. Available-for-sale financial assets	43,680	7,404
30. Tangible assets	-	-
40. Intangible assets	-	-
50. Foreign investment hedge	-	-
60. Cash flow hedge	21,762	(13,998)
70. Exchange differences	(1,254)	1,125
80. Non-current assets being disposed	-	-
90. Actuarial profit (loss) on defined benefit plans	801	472
100. Portion of valuation reserves for equity investments valued under the equity method	301	112
110. Total other income components net of taxes	65,290	(4,885)
120. Comprehensive income (Items 10+110)	95,903	15,242
130. Minority consolidated comprehensive income	(15)	(20)
140. Parent Company consolidated comprehensive income	95,888	15,222

2011 STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (in €/thousand)

	Balance as at 12/31/2010	Initial balance changes	Balance as at 01/01/2011	Allocation of previous year's results		Changes during the period							Shareholders' equity as at 03/31/2011	Group shareholders' equity 03/31/2011	Minority shareholders' equity 03/31/2011
						Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholder's equity						
				Issue of new shares	Purchase of own shares				Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares	Stock options			
Share capital	332,479	-	332,479	-	-	-	-	-	-	-	-	-	332,479	332,392	87
a) ordinary shares	332,479	-	332,479	-	-	-	-	-	-	-	-	-	332,479	332,392	87
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	283,057	-	283,057	-	-	-	-	-	-	-	-	-	283,057	283,052	5
Reserves	1,228,423	-	1,228,423	44,785	-	-	-	-	-	-	-	-951	1,272,257	1,272,063	194
a) profit	1,225,726	-	1,225,726	44,785	-	-	-	-	-	-	-	-951	1,269,560	1,269,366	194
b) other	2,697	-	2,697	-	-	-	-	-	-	-	-	-	2,697	2,697	-
Valuation reserves	-118,452	-	-118,452	-	-	-	-	-	-	-	-	66,241	-52,211	-52,211	-
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	78,024	-	78,024	-44,785	-33,239	-	-	-	-	-	-	30,613	30,613	30,599	14
Shareholders' equity	1,803,531	-	1,803,531	-	-33,239	-	-	-	-	-	-	95,903	1,866,195	1,865,895	300
Group shareholders' equity	1,803,246	-	1,803,246	-	-33,239	-	-	-	-	-	-	95,888	1,865,895	1,865,895	-
Minority shareholders' equity	285	-	285	-	-	-	-	-	-	-	-	15	300	-	-

The distribution of Credem dividend for 2010 was resolved by the Shareholders' meeting held on 27 April 2011.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL PART

General standards for the preparation of Financial Statements

The interim directors' report as at 31 March 2011 was drawn up according to the provisions of art.154-ter, paragraph 5 of the Consolidated Financial Act (TUF) and comprises the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in the Shareholders' Equity and the Notes to the financial statements. The report is also accompanied by the Board of Directors' Report On Operations, on the economic results achieved and on the Group's balance sheet and financial situation. The same report also contains a description of important events and transactions performed in the period.

The amounts in the Financial Statements and the Notes to the financial statements – unless otherwise specified - are expressed in €/thousand.

Going concern

Directors considered appropriate the assumption of the going concern, as in their opinion, there are no uncertainties relating to events or circumstances, which considered individually or as a whole, could cast doubts over the continuation of the business. As a result, asset, liabilities and "off balance sheet" transactions are valued in accordance with the operational features, since they are expected to continue in operation for the foreseeable future.

Statement of compliance with the international accounting standards

The economic, capital and financial information was drawn up in accordance with the measurement and recognition criteria established by the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and adopted by the European Commission under the procedure established by art. 6 of (EC) regulation no.1606/2002 of the European Parliament and Council of 19 July 2002, as well as the provisions issued pursuant to art. 9 of Legislative Decree 38/2005.

The interim report was not subject to audit.

The balance sheet data provide corresponding data from the balance sheet of the previous year end, while the income statement data are compared to the same period of the previous year. The Consolidated Financial Statements correspond to those of the yearly consolidated report.

Accounting standards

The accounting standards adopted in preparing this interim directors' report on operations, in reference to the recording, classification, valuation, write-off and recognition of income components of the various asset and liability items, as well as the recognition method for revenues and expenses, have remained unchanged from those adopted in the 2010 financial statements, to which the reader should refer.

Contents of the Financial Statements Forms

The Consolidated Financial Statements are in compliance with the provisions of Bank of Italy Circular no. 262/2005.

Balance sheet, Income statement and Statement of comprehensive income

The balance sheet and income statement are made up of items, sub-items and additional information (the "of which" in the items and sub-items). In the income statement and statement of comprehensive income, revenues are presented as positive numbers without signs and costs as negative numbers in brackets.

Statement of changes in shareholders' equity

The statement presents the breakdown and movements for the shareholders' equity accounts for the period covered by the report, split between capital reserves, profit reserves, asset and liability valuations reserves and net profit or loss. Capital instruments other than ordinary shares have not been issued.

The capital, reserves and profit or loss for the period have been divided between the amounts pertaining to the group and to minority interests.

Scope and methods of consolidation

The interim directors' report on operations includes the financial statements of Credito Emiliano spa and the companies it directly controls. Companies operating in different business segments than that of the Parent company have also been included within the scope of consolidation, as required by international accounting standards. Similarly, the special purpose entities (SPE/SPV) have also been included when an effective controlling interest exists, irrespective of whether equity investments are held.

On 26 March 2011, Abaxbank merged into Credito Emiliano.

Criteria and principles of consolidation

The following criteria were adopted in the preparation of the Interim Directors' Report on operations:

- upon first consolidation, the book value of equity investments in companies consolidated on a line-by-line basis or on a proportional basis is offset against the shareholders' equity of said companies (or rather the portion of shareholders' equity that said equity investments represent). Accounting for purchases in companies takes place according to the "purchase method", as defined by IFRS 3, with recognition of the assets, liabilities and contingent liabilities of companies acquired at fair value as at the acquisition date, which is the moment in which effective control of the acquired company is achieved. Therefore, the operating results of a subsidiary acquired during the year are included in the Consolidated Financial Statements starting from its control date. Similarly, the operating results of a subsidiary that has been sold are included in the Consolidated Financial Statements until the date in which control is exercised;
- any surpluses in the book value of equity investments, as per the previous point, compared to the corresponding portion of shareholders' equity, adjusted to the fair value of assets or liabilities, are recorded as goodwill under "Intangible assets" if positive and to the income statement if negative;
- any additional purchases of equity investments subsequent to the acquisition of control are not specifically regulated by IFRS 3; according to best practice, any positive or negative differences, as defined above, that arise following said acquisition are recorded directly to equity.
- a test of the adequacy of the goodwill value (so-called impairment test) is carried out annually or each time there is evidence of impairment. To this end, the cash-generating unit that produces the cash flow and to which goodwill is attributed is identified. The amount of the impairment is calculated as the negative difference, if any, between the goodwill value recorded and its recoverable amount, equal to the greater of fair value of the cash-generating unit, net of any sales costs, and the relative value in use of the asset. The subsequent value adjustments are recorded in the income statement.
- asset, liability and income statement items for companies consolidated on a line-by-line basis are fully acquired for each item;
- debit and credit positions, off-balance sheet transactions and income, expenses, profits and losses arising from relations between consolidated companies cancel each other out;
- portions of shareholders' equity and profits for the year belonging to minority shareholders of the consolidated companies are included in the relative sections under liabilities in the balance sheet and in the income statement, respectively;
- the interim reports of the single companies were used for consolidation of the companies on a line-by-line basis, adjusted, if necessary, to comply with the international accounting standards used in the preparation of the consolidated position and the statements of the consolidating company;
- the book value of significant equity investments held by Credito Emiliano, or by other companies of the group, regarding companies consolidated with the equity method is compared to the relative portion of shareholders' equity of the investee companies. Any excess in the book value - resulting from first-time application to the Consolidated Financial Statements - is included in the book value of the investee company. The changes in equity value that take place during the years subsequent to the year of first-time application are recorded under item 240 of the consolidated income statement ("profit (loss) from equity investments"), to the extent in which said changes refer to profits or losses of the investee companies;
- if there is evidence that the value of a significant investment may have fallen, the recoverable amount of the investment is estimated, taking into account the present value of future cash flows that the investment may generate, including the final disposal value of the investment. If the recovery amount is lower than the book value, the difference is recorded in the income statement.
- for the consolidation of equity investments in associated companies, the results of the reports as at 31 March 2011 were used, where possible; alternatively the data from the most recent Financial Statements were used, including interim ones.

Listed below are the equity investments in subsidiaries, associated companies and joint-controlled companies:

Equity investments in subsidiaries and associated companies (consolidated under the equity method)

Company name	Registered office	Type of Relationship	Shareholding Relationship		Voting Rights %
			Investing Company	Share %	
A. Companies					
A. 1 Consolidated line-by-line					
1. Credem International (Lux) sa	Luxembourg	1	Credito Emiliano	99.99%	
			Banca Euromobiliare	0.01%	
2. Credemleasing spa	Reggio Emilia	1	Credito Emiliano	99.90%	
			Magazzini Generali delle Tagliate	0.10%	
3. Credemfactor spa	Reggio Emilia	1	Credito Emiliano	99.00%	
			Credemleasing	1.00%	
4. Credem Private Equity SGR spa	Reggio Emilia	1	Credito Emiliano	87.50%	
			Banca Euromobiliare	12.50%	
5. Euromobiliare Asset Management SGR spa	Milan	1	Credito Emiliano	99.03%	
6. Credemtel spa	Reggio Emilia	1	Credito Emiliano	100.00%	
7. Creacasa S.r.l.	Reggio Emilia	1	Credito Emiliano	100.00%	
8. Magazzini Generali delle Tagliate spa	Reggio Emilia	1	Credito Emiliano	100.00%	
9. Banca Euromobiliare spa	Milan	1	Credito Emiliano	100.00%	
10. Banca Euromobiliare Suisse sa	Lugano	1	Credito Emiliano	100.00%	
11. Euromobiliare Fiduciaria spa	Milan	1	Credito Emiliano	100.00%	
12. Credemvita spa	Reggio Emilia	1	Credito Emiliano	100.00%	
13. C.S. Inform srl	Bologna	1	Credito Emiliano	100.00%	
14. Credem CB srl	Conegliano	1	Credito Emiliano	70.00%	
A. 2 Consolidated using the equity method					
1.Credemassicurazioni spa	Reggio Emilia	2	Credito Emiliano	100.00%	50.00%
Raffaello General Partner Jersey	St.Helier	3	Credito Emiliano	43.00%	
3.Interconsult	Luxembourg	3	Credito Emiliano	33.33%	
			Credem International (Lux) sa	33.33%	
4.Nextone S.r.l.	Milan	3	Credito Emiliano	30.00%	
5.Raffaello Luxembourg sca	Luxembourg	3	Credito Emiliano	22.86%	
			Banca Euromobiliare	6.25%	

Key

Type of relationship:

1 = majority of the voting rights of ordinary Shareholders' Meeting

2 = joint control

3 = associated companies

In application of the indications of IAS 27 and SIC 12, special purpose vehicles Ariosto, wholly owned by Credemholding and Alicante Finance, have been considered as controlled by Credem and as such were included in the scope of consolidation.

The Group holds a majority share in the capital of several mutual funds managed by asset management companies of the Group itself. Considering the composition of the capital of these funds, essentially comprising financial assets, and given that the reporting benefits resulting from consolidation of the funds are inferior to the costs necessary to provide said reporting, the Bank has decided not to consolidate these mutual funds. The above-mentioned investments are recorded under the item "Financial assets held for trading" for approximately € 40.3 million. As these amounts are recorded at fair value, their consolidation would not have had any impact on the Parent Company's profit or on the Group's shareholders' equity.

Other matters

Comparison with data as at 31 March 2010

In compliance with the Banca d'Italia circular of 17 February 2011, namely in the section related to the accounting treatment of some charges functionally connected to the personnel, some expenses for 2010 recorded under "other administrative costs" were reclassified to "personnel costs". The amount of these 2010 expenses, totalling € 1,811 thousand, was reclassified under "personnel costs".

Option for domestic tax consolidation

As of 2004, Credem and the Group's Italian companies have adopted what is known as "domestic tax consolidation", regulated by articles 117-129, of the TUIR, introduced into tax legislation by Italian Legislative Decree no. 344/2003. This is an optional system through which the overall net income or tax loss of each subsidiary participating in the tax consolidation – together with withholdings, deductions and tax credits – is transferred to the Parent Company (Credemholding), producing a single taxable income or single taxable loss carried forward for the latter (resulting from the algebraic sum of its own income/losses and those of the subsidiaries taking part and, consequently, in a single tax debit or credit).

In exercising this option, the companies of the Group that applied the "domestic tax consolidation" calculated their own tax liability, and the corresponding taxable income was transferred to Credemholding. Should one or more of the investee companies have a negative taxable income, where there is consolidated income for the period or a high probability of future taxable income, the tax losses are transferred to Credemholding. As a consequence of such, provisions for IRES (corporate income tax) are recorded under "other liabilities".

The Group has also applied domestic tax consolidation for the three-year period 2010-2012.

Estimated data

The accounting results concerning the components "other general overheads", "commission income" and "commission expenses" were supplemented by the accruals emerging also from the evidence of the planning for 2011 in order to correctly calculate the accrued amounts.

For all the other income statement items, the usual accrual methods were applied.

Forecast on operations

With regards to the external context, the most recent forecasts show that our economy continues to recover, albeit at lower levels than those of the main European partners.

With regard to the Italian economy, the primary indications for 2011 show that:

- the gross domestic product should record an upward trend (+0.9%, after +1.0% in 2010);
- family consumption will continue to reflect the feeble growth in available income; a figure of +0.7% is forecast, similar to the percentage recorded in 2010;
- investments, particularly those in machinery and equipment, will continue to be the most dynamic component of domestic demand. More specifically, the disappearance of the Tremonti law will be offset by a still boisterous foreign demand; investments in equipment and machinery are expected to rise by +5.0%, after recording +9.2% in 2010;
- exports will increase by +6.4% (+8.1% in 2010) due to the slowing down of the world cycle and the strengthening of the Euro in the second half of the year;
- inflation is expected to rise in the coming months (2.2% against 1.5% in 2010) due to the bounce-back of the price of international raw materials, especially oil;
- in March, the ECB (unlike other central banks) gave strong indications that the monetary policy rate will increase, due to the higher prices of raw materials and oil and the consequent inflationary pressures within the Eurozone. The Central Bank announced also that some measures to support liquidity to the banking system will be kept. In this renewed scenario, the ECB rate rose for the first time by 0.25 bp in April 2011. Short-term rates (Euribor 1 month and 3 months), should start to show average annual values above those recorded in 2010, after the increase already occurred following the ECB announcement.

Regarding the main banking aggregates:

- the trend in direct deposits from residents will record a growth rate of around +3.5%, compared to an increase by 2.3% in 2010; bonds in particular should show a gradual recovery thanks to the repositioning of the funding policies applied by the banks, brought about by the new Basel III regulation on liquidity and changes in maturities;
- the banking channel in the asset management segment is forecast to recover (+5%), where policies more clearly aimed at development should prevail over those focused on restructure that characterised 2010;
- loans to customers should show a better trend than that of last year, (+4.5%, after the 4% in 2010); the growth in loans should continue to be buoyant thanks to house purchases, while the credit support to non-financial companies is expected to grow albeit at a slow pace, following higher levels of demand driven by the gradual economic recovery underway.

At the moment, the immediate income prospective are based on the following various, and in some ways contradictory, trends:

- the reduction in the customer interest margin, which is positive in the customer segment, but impacted by the tighter and more onerous funding needs, led also, and above all, by the on-going legislative changes;
- further improvement in commission revenue, associated to the fall in income from trading;
- the essential stability of operating costs, after the considerable rationalisation efforts of the last two years;
- the physiological increase in the cost of credit in a market context still affected by problems.

In this scenario, the characteristic economic management should now be too dissimilar from that described in the year under analysis.

Starting from 1 May 2011, changes were made to the organisational structure of Credito Emiliano, with regards to the composition of the Central Services and of the Business Units. Among the changes, it is worth highlighting:

- the creation of the Risk Service, in which the Compliance and Risk Management functions and the Rating Office will converge;
- the integration of the Retail and Corporate Business Units into one Commercial Banking Business Unit, which was allocated the central commercial functions supporting the business, whilst maintaining a specialised model by segment in the network role and in the sales outlets (retail and corporate centres);
- the centralisation of the resolving functions available in the various Business Units into a Credit Service, with a view to further specialise the credit chain by counterparty, and the creation of a Credit Strategy Unit responsible for defining the credit policies and strategies;
- the start of the integration of the IT Systems Service with the Services Centre.

TRENDS IN THE MAIN BALANCE SHEET AGGREGATES

RECLASSIFIED BALANCE SHEET (€/million)

	3/11	12/10	% change	
			absolute	%
Cash and cash equivalents	110.0	135.3	-25.3	-18.7
Loans to customers	19,554.9	18,883.9	671.0	3.6
Due from banks	734.1	937.3	-203.2	-21.7
Other financial assets	8,610.9	8,508.1	63.2	0.7
Equity investments	20.7	19.4	1.3	6.7
Tangible and intangible assets	687.1	693.1	-6.0	-0.9
Other assets	822.3	821.1	40.8	5.2
TOTAL ASSETS	30,540.0	29,998.2	541.8	1.8
Due to customers	12,396.0	11,883.0	513.0	4.3
Outstanding securities	5,425.8	5,435.5	-9.7	-0.2
Technical reserves	1,371.0	1,380.2	-9.2	-0.7
<i>Customer deposits (including insurance)</i>	<i>19,192.8</i>	<i>18,698.7</i>	<i>494.1</i>	<i>2.6</i>
Bank debt	7,552.6	7,716.9	-164.3	-2.1
Other financial liabilities	445.8	615.8	-170.0	-27.6
Specific risk provisions	196.3	199.6	-3.3	-1.7
Other liabilities	1,286.3	963.6	322.7	33.5
Minority interests	0.3	0.3	-	-
TOTAL LIABILITIES	28,674.1	28,194.9	479.2	1.7
Share capital	332.4	332.4	-	-
Reserves	1,502.9	1,392.9	110.0	7.9
Profit (loss) for the period	30.6	78.0	-47.4	-60.8
SHAREHOLDERS' EQUITY related to the banking group	1,865.9	1,803.3	62.6	3.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,540.0	29,998.2	541.8	1.8

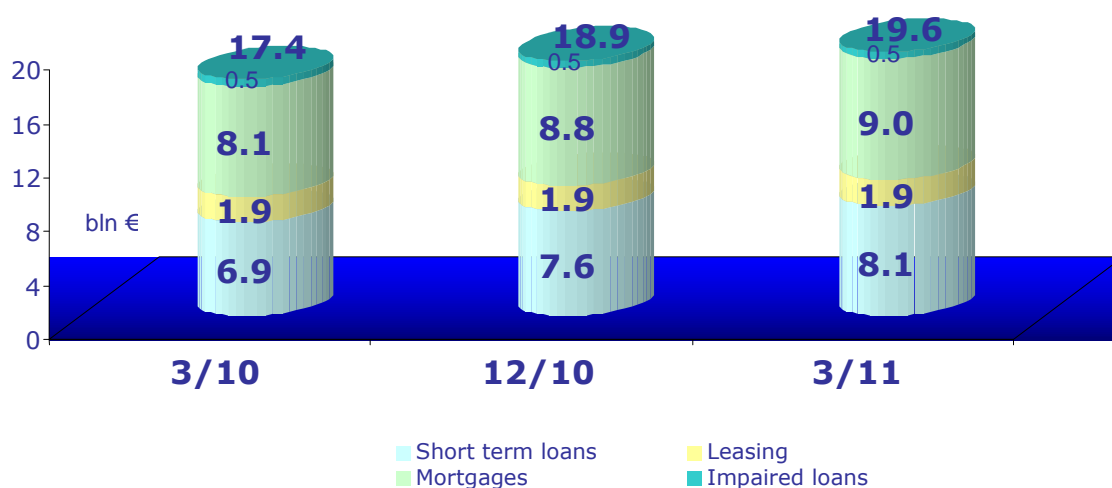
LOANS TO CUSTOMERS

	€/million			% change on	
	3/11	12/10	3/10	12/10	3/10
short term loans	8,128	7,649	6,893	6.3	17.9
mortgages and leasing	10,907	10,712	10,034	1.8	8.7
LOANS TO CUSTOMERS	19,035	18,361	16,927	3.7	12.5
Impaired loans	520	523	512	-0.6	1.6
TOTAL LOANS TO CUSTOMERS	19,555	18,884	17,439	3.6	12.1

The table below summarises the loans by company:

	3/11		12/10		3/10		% change on	
	Amount	%	Amount	%	Amount	%	12/10	3/10
Credito Emiliano	18,234	85.2	17,884	86.2	15,922	86.3	2.0	14.5
Credemleasing	1,940	9.1	1,935	9.3	1,924	10.4	0.3	0.8
Credemfactor	377	1.8	386	1.9	273	1.5	-2.3	38.1
Banca Euromobiliare	300	1.4	281	1.4	247	1.3	650.0	21.5
Credem International (Lux)	488	2.3	197	1.0	47	0.3	147.7	938.3
Other Companies	51	0.2	44	0.2	44	0.2	15.9	15.9
Aggregate	21,390	100.0	20,727	100	18,457	100	3.2	15.9
Consolidation Adjustments	-1,835		-1,843		-1,018			
Consolidated	19,555		18,884		17,439		3.6	12.1

LOANS



Total loans stand at € 19.6 billion, a significant increase on March 2010 (+12.1%) and compared to the end of the year (-3.6%). This reflects the growth in medium-term loans (+8.7%) and a more noteworthy improvement in short term loans (17.9%) compared to March 2010.

The contribution of mortgage loans to families equals € 5.9 billion as at 31 March 2011. At the same time as the improvement in market conditions, corporate loans showed tangible signs of recovery.

IMPAIRED LOANS

	3/11	12/10	3/10
% net non-performing loans/ net loans to customers	1.07	1.04	0.81
% provisions for losses on non-performing loans	56.6	57.4	61.8
nominal values:			
- non performing loans	480.3	459.1	371.0
- watch-list loans	254.7	253.3	283.7
- restructured loans	6.6	7.2	9.0
- past due loans	85.8	102.5	113.3
total nominal values	827.4	822.1	777.0
specific write-downs	306.9	298.7	265.4
estimated recoveries			
- non performing loans	208.4	195.5	141.7
- watch-list loans	224.7	223.2	252.1
- restructured loans	5.0	5.6	7.4
- past due loans	82.4	99.1	110.4
total estimated recoveries	520.5	523.4	511.6
net value adjustments to loans and other financial transactions	6.8	62.1	25.4
reconstruction of "accounting funds":	358.2	353.8	326.2
- specific write-downs	306.9	298.7	265.4
- collective write-downs on performing loans	51.3	55.1	60.8

Moving on to problem loans, credit risk continues to be sustained, and given the usual delay with which the same materialises, no inversion of this trend is envisaged in the short term.

Credit risk represents one of the areas requiring more careful monitoring, and this is also true for the Group; the more rigorous criteria already applied in 2009, both as regards the classification of credit positions and the valuation of expected repayment have had a positive impact on the period under analysis. In this regard, it should also be noted that the rate of increase of impaired loans has slowed down considerably.

CUSTOMER DEPOSITS

	€/million			% change on	
	3/11	12/10	3/10	12/10	3/10
- current accounts and savings accounts	12,062	11,604	10,247	3.9	17.7
- certificates of deposit	529	847	917	-37.5	-42.3
- other	276	217	925	27.2	-70.2
DEPOSITS	12,867	12,668	12,089	1.6	6.4
- bonds and subordinated debt	3,812	3,521	3,510	8.3	8.6
DIRECT DEPOSITS EXCLUDING REPURCHASE AGREEMENTS	16,679	16,189	15,599	3.0	6.9
- repurchase agreements and security loan	58	62	44	-6.5	31.8
TOTAL BANKING DIRECT DEPOSITS	16,737	16,251	15,643	3.0	7.0
INSURANCE RESERVES	2,456	2,448	2,449	0.3	0.3
INDIRECT DEPOSITS at countervalue	38,142	38,801	39,802	-1.7	-4.2
GRAND TOTAL	57,335	57,500	57,894	-0.3	-1.0

Illustrated below is the breakdown of indirect deposits by technical form (at countervalue):

	€/million			% change on	
	3/11	12/10	3/10	12/10	3/10
portfolio management	4,816	4,978	4,764	-3.3	1.1
mutual funds	3,734	3,998	3,888	-6.6	-4.0
SICAV	4,975	4,898	5,495	1.6	-9.5
other and third party products	3,319	3,015	2,206	10.1	50.5
indirect deposits under management	16,844	16,889	16,353	-0.3	3.0
indirect deposits under custody	21,298	21,912	23,449	-2.8	-9.2
indirect deposits at counter value	38,142	38,801	39,802	-1.7	-4.2

The deposits growth rate slowed down in the system. The decrease affected particularly the bond component, while the growth in demand for demand deposits continued at a satisfactory pace. Repurchase agreements appear to be on an upward trend, reflecting the search for more interesting returns, even as regards liquid and short-term financial instruments. In a regulatory scenario which curtails the possibilities of changing maturities, albeit over an extended period, it is expected that there will be a more frequent use of debt instruments with longer maturities.

As regards the group, demand deposits continue to record a good growth rate, sustained by the fall in returns offered by alternative forms of investment and by the lasting uncertainty that is characterising the economic and financial scenario. At the same time, time deposits remained substantially stable, partially due to the bond issues placed on the retail market (almost € 300 million in the period under review) and partially due to the repositioning of customers' financial assets towards "indirect" products with higher returns.

The aggregate figure was negatively influenced, compared to March 2010, by the downturn in the item marked as "Other", which represents the component least linked to relations with ordinary customers.

Said downturn is due to the substantial change in the debt structure of a Group company (Credemleasing), which replaced non-banking debts with bank debt.

As specified above, assets under management continued to grow in comparison with March 2010, with particular focus on investments with low risk profiles; therefore, there was a recovery in assets under management.

The segment, including insurance, is substantially stable compared to December 2010.

With regards to assets under custody, which fell by 2.8% compared to the end of 2010, the “customer” segment confirmed its strength, while there was a decline in the segment relating to institutional investors.

The table below summarises the breakdown of banking direct deposits:

	3/11		12/10		3/10		% change on	
	Amount	%	Amount	%	Amount	%	12/10	3/10
Credito Emiliano	15,564	92.0	15,615	94.0	17,123	83.6	-0.3	-9.1
Credemleasing	53	0.3	48	0.3	725	3.5	10.4	-92.7
Credemfactor	18	0.1	22	0.1	25	0.1	-18.2	-28.0
Banca Euromobiliare	476	2.8	502	3.0	1,017	5.0	-5.2	-53.2
Credem International (Lux)	689	4.1	320	1.9	1,451	7.1	115.3	-52.5
Other Companies	110	0.7	112	0.7	142	0.7	-1.8	-22.5
Aggregate	16,910	100.0	16,619	100.0	20,483	100.0	1.8	-17.4
Consolidation adjustments	-173		-368		-4,840			
DIRECT	16,737		16,251		15,643		3.0	7.0

The table below summarises the breakdown of indirect deposits:

	assets under management			assets under custody			Total		
	amount	% change %		amount	% change %		amount	% change %	
		12/10	3/10		12/10	3/10		12/10	3/10
Credito Emiliano	13,400	-0.1	1.2	19,108	-2.2	-7.2	32,508	-1.3	-3.9
Euromobiliare Asset Manage. SGR	3,779	-5.9	-5.0	-	-	-	3,779	-5.9	-5.0
Banca Euromobiliare	4,938	-1.3	4.1	2,074	-2.4	-14.4	7,012	-1.6	-2.1
Credem International (Lux)	79	-14.1	-29.5	129	-53.3	-74.3	208	-43.5	-66.1
Euro. International Fund SICAV	4,975	1.6	-9.5	-	-	-	4,975	1.6	-9.5
Credem Private Equity	53	47.2	47.2	-	-	-	53	47.2	47.2
Banca Euromobiliare (Suisse)	349	-0.6	18.3	238	-3.6	1.3	587	-1.8	10.8
Indirect aggregate	27,573	-0.9	-1.2	21,549	-2.8	-9.2	49,122	-1.7	-4.9
Consolidation Adjustments	-10,729			-251			-10,980		
Total indirect consolidated	16,844	-0.3	3.0	21,298	-2.8	-9.2	38,142	-1.7	-4.2

It is worth highlighting that both breakdowns do not show insurance deposits are not evident, which, following the line-by-line consolidation of Credemvita, are recorded in these financial statements as a source of funding for the Group. For this reason, this component is represented separately in the introductory table of this chapter.

PERFORMANCE OF GROUP COMPANIES

CREDITO EMILIANO

	3/11	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2010	% change
interest margin	99.1	109.3	125.9	100.9	97.1	433.2	-9.3
non-interest margin	90.1	83.4	87.6	86.8	117.9	375.7	8.0
operating income	189.2	192.7	213.5	187.7	215.0	808.9	-1.8
personnel costs	-93.4	-87.3	-91.3	-92.1	-89.8	-	7.0
administrative costs	-48.3	-45.8	-44.7	-47.7	-43	360.5	5.5
operating costs	-	-133.1	-136	-139.8	-132.8	-	6.5
	141.7					541.7	
GROSS OPERATING PROFIT	47.5	59.6	77.5	47.9	82.2	267.2	-20.3
amortisation/depreciation	-5.6	-5.1	-5.4	-5.8	-5.6	-21.9	9.8
operating profit	41.9	54.5	72.1	42.1	76.6	245.3	-23.1
provisions for risks and charges	-2.2	-0.3	-1.1	0.1	-42.6	-43.9	633.3
extraordinary income/charges	-1.1	-0.7	-1.2	0.3	-2.5	-4.1	57.1
adjustments to equity investments	-	-	-	-	-0.3	-0.3	n.s.
net value adjustments to loans and financial transactions	-6.1	-22.0	-3.3	-8.1	-21.5	-54.9	-72.3
PROFIT BEFORE TAX	32.5	31.5	66.5	34.4	9.7	142.1	3.1
income taxes for the period	-16.3	-12.0	-20.6	-15.4	-20.8	-68.8	35.8
PROFIT FOR THE PERIOD	16.2	19.5	45.9	19.0	-11.1	73.3	-16.9

KEY:

Interest Margin

+ Item 30 Interest margin

Non-Interest Margin

+ Item 60 Net Commissions
 + Item 70 Dividends and similar revenues (solely for the portion relating to dividends from equity investments)
 + Item 80 Net result from trading activities
 + Item 90 Net result from hedging activities
 + Item 100 Profit (loss) from sale or repurchase
 + Item 110 Net result from financial assets and liabilities valued at fair value
 + Item 190 Other operating income/charges (net of extraordinary items)

Operating Income

(Interest margin + Non-interest margin)

Operating costs

+ Item 150 Administrative costs

Gross operating profit

(Operating income – Operating costs)

Depreciation and amortisation

+ Item 170 Net value adjustments/write-backs to tangible assets
 + Item 180 Net value adjustments/write-backs to intangible assets

Operating Profit

(Gross operating profit – Depreciation /Amortization)

Net provisions for risks and charges

+ Item 160 Net provisions for risks and charges

Extraordinary income / charges

+ Item 190 Other operating income/charges (extraordinary items only)
 + Item 240 Profit (loss) from disposal of investments

Adjustments to loans, net

+ Item 130 Net value adjustments/write-backs for impairment of loans

Profit before tax

(Operating profit +/- Net provisions for risks and charges +/- Extraordinary income/charges +/- Plus/minus on investments - Adjustments to loans)

Dividends from equity investments

+ Item 70 Dividends and similar revenues (solely for the portion relating to dividends from minority equity investments)

The downward trend of rates seems to have bottomed out.

The strategies to protect the securities portfolio contributed to this positive trend, as did the repositioning of sources of funding.

The customer margin seems to have reversed its negative trend, recording a slight yet constant growth for the fourth consecutive quarter.

The non-interest margin recorded a significant recovery, concentrating on the commissions component with reference to both the component related to management and brokerage and the component regarding banking services.

Once again in this quarter, the positive trend of the segment was due to the income contribution resulting from the transactions on a portfolio of Italian government bonds, set up to take advantage of the fall in interest rates and from the higher returns compared to similar securities.

The market uncertainties and volatility, which had impacted on the trend of the income from trading and hedging for the first quarters of 2010, confirm the slowdown registered at the end of the year and gave a considerable contribution to the trading in securities and foreign exchanges segment.

The "Other financial income and charges" component is in line with the trend of the last few quarters; the comparison with the first quarter of 2010 is affected by some non-repeatable component that characterised it.

The trend of operating costs, especially personnel costs, was affected by the allocation of the variable components not included in the first quarter of 2010. Without this component, operating costs would have remained substantially unchanged.

Adjustments to counter credit risk fell slightly, confirming the trend for the whole of 2010, after the very rigorous criteria applied in 2009 as regards write-downs.

The cost of credit (on an annual basis) stands at 0.13%, more than half the figure at the end of 2010 (0.31%).

It is also worth highlighting that starting from 2010, the risk parameters deriving from validated internal models, or models for which work is being carried out for submission of the same to the Supervisory Authority, were extended to the quantification of the collective write-down for the entire credit segment.

The write-back, amounting to over € 3 million, was mainly due to the introduction of the 2011 risk parameters, which show an improvement on the previous ones. The improvement was due to the introduction of the defaults recorded in 2010 in the historic series.

		3/11	12/10	3/10
customer loans	€/million	18,234	17,844	15,871
direct deposits		15,564	15,571	16,484
indirect deposits		32,508	32,948	33,822
total deposits	€/million	48,072	48,519	50,306
employees	no.	4,961	4,901	5,056
branches	no.	541	543	546
financial advisors	no.	534	548	626

Concerning assets, loans recorded a significant growth at € 18,234 million (+2.2% on December 2010 and +14.9 on March 2010), reflecting the growth in medium-term loans and a more prominent progress of short-term loans.

At the same time as the improvement in market conditions, corporate loans showed tangible signs of recovery.

Demand deposits continue to record a good growth rate, sustained by the fall in returns offered by alternative forms of investment and by the lasting uncertainty that is characterising the economic and financial scenario. At the same time, time deposits remained substantially stable, partially due to the bond issues placed on the retail market (almost € 300 million in the period under review) and partially due to the repositioning of customers' financial assets towards "indirect" products with higher returns.

Assets under management continued to grow in comparison with March 2010, with particular focus on investments with low risk profiles; therefore, there was a further recovery in indirect deposits.

The segment remains substantially stable compared to December 2010.

CREDEMLEASING

		3/11	3/10	3/09
number of contracts stipulated				
- movables		743	708	664
- real estate		61	46	39
	no.	804	754	703
amount of contracts stipulated				
- movables		60.9	51.5	45.4
- real estate		54.0	32.8	28.3
	€/million	114.9	84.3	73.7
domestic market share (in terms of asset value)	%	1.99	1.48	1.29
leasing receivables	€/million	1,946	1,931	1,943

In the first quarter of 2011, the leasing market recorded a modest increase in the value of investments financed (+1.5%, approximately € 5.8 million) in comparison to the same period of the previous year.

Similarly to 31 December 2010, the contribution of the renewable energies segment was significant and showed a 15.7% incidence on the overall total of stipulated contracts and a 110.3% increase on the first quarter of the previous year. Conversely, the "traditional" segments continue to fall sharply (-8.8% for real estate and -9.8% for investments in operating assets) except for investments in cars, which rose by 3.9%.

The Company's sales results were better than those obtained by the "System", recording a total rise in the value of new stipulated contracts of +36.4% with respect to the same period of the previous year (+18.3% for movables and +64.8% for real estate). Investments in the segment of renewable energies accounted for 7% of the Company's total investments. The number of new stipulated contracts is also on the increase (+6.6%).

Overall, the market share has gone up to 2%.

The average productive capital is substantially stable compared to 31 December 2010. At the end of the quarter, there was an improvement in the value of the actual capitals.

The financial results are in line with the budget estimates for 2011.

CREDEMFACTOR

		3/11	3/10	% change
Turnover (flows)	€/million	297.6	260.3	14.3
- with recourse	€/million	148.5	163.7	-9.3
- without-recourse	€/million	149.1	96.6	54.4
Outstanding	€/million	481.4	368.0	30.8
Investment :				
. specific amounts	€/million	367.6	255.3	44.0
. average amounts	€/million	334.0	267.0	25.1

During the quarter, the turnover was equal to € 297.6 million, up by 14.3% compared to € 260.3 million of March 2010. The product without recourse reached € 149 million of turnover, with a rise compared to the previous year of 54.4%, and accounts for 50% of global volumes (it was 37% in March 2010). This figure is gradually approaching the industry figure, which stands at around 70%.

At the end of March, 105 new contracts were entered into with transferor customers (106 in March 2010).

Specific loans as at the end of March 2011 reached € 368 million, up by 44% compared to the previous year (€ 255 million), while average amounts reached € 334 million (+25% with respect to the previous year).

Outstanding amounts go from € 368 million in March 2010 to € 481 million in March 2011.

EUROMOBILIARE ASSET MANAGEMENT SGR

Net deposits in the first quarter of 2011, regarding Italian funds, SICAVs and speculative funds, were negative for € 200 million (€ -229, +39 and -10 million respectively), in line with the overall system performance (negative deposits stood at € 6.5 billion at the beginning of the year).

Assets under management (UCIT) are slightly down with respect to the end of the previous year, recording a decrease in the weight of monetary products (21% vs. 27% at the end of 2010) in favour of bond and lifecycle products (57% vs. 53% at the end of 2010). Stock, balanced and flexible products remain stable (7%, 6% and 8%, respectively). The marginal weight of hedge products is confirmed (1% like at the end of 2010).

The Company's market share, in terms of assets under management (including Italian funds, speculative funds and SICAVs), went from 1.97% at the end of 2010 to 1.95% in the first quarter of 2011.

The Company's income statement for the first quarter of 2011 shows a net profit of € 1,471 thousand, essentially in line with the result obtained in the same period of last year (€ 1,376 thousand). More specifically, net commissions increased (+0.79%) and, on the costs front, administrative costs decreased (-11.46%).

CREDEM PRIVATE EQUITY

Credem Private Equity SGR S.p.A. manages a single closed-end private equity fund: Credem Venture Capital. The fund did not make any investment and disinvestment during the quarter, nor carried out any partial and/or total liquidation of the shares.

The management of the investee companies continued in the first quarter of 2011, in an economic context still characterised by uncertainties and with different dynamics among the various industry sectors.

The company closed the first quarter of 2011 with a net profit of € 90,003. This result was better than that of the previous year and derives from the increase in commissions received, connected with the trend of the share value of the fund compared to the same quarter of last year. It is worth remembering that the first two disposals were made at the end of 2010. More in detail, the sale of Agrifarma generated a considerable capital gain in the managed fund.

CREDEM INTERNATIONAL LUX

The renewal of the product offer within the context of the administrative services supplied to the Group SICAV led to the creation of four new products, more specifically the creation of two new segments and changes in other two segments. The AUM balance, amounting to € 4,974.5 million, increased by € 76.3 million compared to the end of 2010, equal to + 1.56%.

Private banking records overall customer deposits for € 842.6 million, up by 35.5%. Direct deposits recorded a sharp increase (+154%), due also to some specific transactions concluded with corporate counterparties and to transfers from assets under custody. Assets under custody stands at € 160 million (-47.4%), while assets under management total € 52.5 million (-24.2%).

The loans portfolio amounts to € 42.2 million, slightly down compared to the end of 2010.

The economic performance is essentially in line with the objectives.

BANCA EUROMOBILIARE SUISSE

In the first three months of 2011, the Bank's deposits were positive.

AUM stood at CHF 904 million (CHF 884 million at 31 December 2010). The production of new deposits stood at CHF 21.4 million, a more than satisfactory figure considering the general economic climate.

The income statement for the first three months closed with a net profit of CHF 554 thousand, above both the budget figure and that of the previous year.

BANCA EUROMOBILIARE

Customer assets in the first quarter of 2011 (excluding loans) showed a slight reduction, equal to 1.9%, going from € 7,635 million at the end of December 2010 to € 7,490 million at the end of March. This decrease was due to both net deposits, totalling € -135 million over the three months, and the market effect, slightly negative in the quarter (-0.1%, corresponding to approximately € -10 million).

The incidence of assets under management remained substantially unchanged in the period under analysis (from 65.9% to 66.4%), despite the negative deposits recorded in the asset management segment (approximately € -47 million). In this segment, the significant inflow of third-party products (mostly UCIT) managed to offset only partially the outflow from

Portfolio Management and Group UCIT. Conversely, customer loans continued their development (similarly to the trend of 2010), with net deposits worth approximately € 17 million between brokered and direct loans, especially with the latter going up by +7% in about three months from € 273 to approximately € 293 million.

The Bank's net result as at 31 March 2011 was positive and equal to € 0.3 million, compared to a loss of € 0.4 million of the same period of last year.

Operating income remains essentially unchanged compared to the same period of the previous year (approximately € 11.7 million), but its breakdown has changed. More specifically, the interest margin increased slightly (from € 1.6 million to approximately € 1.7 million, +4%), mainly due to higher margins on customer loans and direct deposits, compared to a contraction in the profitability of liquidity deposits by the treasury. Regarding the non-interest margin, a significant recovery was recorded by the margin generated by ordinary operations (net commissions went from € 8.1 to € 9.2 million +13%), especially thanks to the greater average profitability of managed assets and the growth in managed stocks. The greater average profitability of managed assets benefited from the lower incidence of monetary products and short-term bonds, in line with the customer risk profiles and the portfolios recommended.

The result from trading, hedging and the profit from trading AFS securities gave an overall positive contribution to the non-interest margin, albeit at a lower extent compared to the same period of 2010. This is due to the lower profitability of the stock held in assets under custody products and investment in AFS government bonds.

Administrative costs were lower than those recorded in the same period of the previous year (from € 12.1 to € 11.7 million, € -0.3 million difference, equal to -3% approximately), essentially due to lower personnel costs (€ -0.3 million, equal to approximately -5%).

The components related to non-recurring income and charges and to allocations and value adjustments gave a far greater positive contribution compared to that in the first quarter of 2010, predominantly due to the fine-tuning of the parameters used in calculating the collective write-downs of customer loans and the more favourable trend of non-recurring income.

MAGAZZINI GENERALI DELLE TAGLIATE

Average inventories recorded a further decline compared to both the last three months of 2010 (-6,000 cheeses) and the same period of last year (-11,000 cheeses). This trend was caused by a market that continues to express high prices and is therefore confirmed as very positive.

In March, the Company recorded a modest increase in deposits, thanks to new agreements with the company's main customer.

Typical revenues were slightly down (-2.9%) while revenues from the production generated by the photovoltaic plant increased.

Production costs showed a slight increase, particularly due to the charges connected with safety at work and the cost of maintaining plants and equipment. Labour, commercial and structure-related costs remained substantially stable.

CREDEMVITA

		3/2011	3/2010
Deposits (flows)	€/million	182.0	211.8
Number of active policies	no.	98,858	91,387

As at 31 March 2011, Credemvita showed positive net cash flows for € 38.3 million, with deposits for € 182 million, down 14% compared to the figure for 2010, and services provided in the quarter for € 143.7 million, an increase compared to the same period of last year.

The macro-economic scenario at the end of 2010 and in the first months of 2011 impacted the breakdown of the Company's deposits. The consolidation in the recovery of rates, combined with the swift rise in returns of government securities between December and January, due to the expansion of the differentials on sovereign debts, made the placing of some products subject to revaluation less attractive. The result was a significant outflow from segment I products.

In the quarter, Credemvita recorded the commercial success of a new unit-linked policy launched by the Company at the end of January, called Credemvita Global View. In addition, the placement of a new policy subject to revaluation started in early March. Thanks to its guaranteed minimum return of 1.50% for the first year, it was possible to offer to Credem Group customers a product with a return more in line with market rates.

As a result, of the € 182 million of premiums issued as at the end of March 2011, € 105 million could be attributed to linked products (approximately € 89 million from Unit Global View and approximately € 15 million from the Multiselection Units) and € 71 million to guaranteed-rate products (approximately € 29 million from Investire Sicuro 1.50% and approximately € 33 million from Investire Sicuro 1.20% subject to revaluation).

The profit as at 31 March 2011 amounted to € 3.1 million, showing a sharp increase on the figure for the same period of last year.

The Company's financial income was boosted by the consolidation of the technical reserves, thanks also to the positive net flows for the quarter, combined with the general recovery of market rates supporting the average returns of separate managements. The Company's net maintenance commissions on traditional life products as at the first quarter of 2011 (class C reserves) improved by 39%, from € 1.8 million at the end of March 2010 to the current € 2.5 million.

The trend of costs showed a reduction compared to the previous year, -17% excluding amortisation and depreciation, thanks to lower IT costs in the period for approximately € 0.4 million, compared to a first quarter of 2010 in which Credemvita had recorded significant migration and installation costs for the new IT system.

The shareholders' equity, excluding the profit for the period, amounts to € 82.6 million, and increased by € 1.5 million compared to 31 December 2010.

CREDEMASSICURAZIONI

		3/2011	3/2010
premiums issued	€/thousand	15,638	12,262
active policies	no.	148,311	115,835

As at 31 March 2011, Credemassicurazioni has collected premiums for € 15.6 million, a 28% increase on the same period of 2010.

The collection is sustained by the high development levels of non-vehicle non-life products, which rose by 51% compared to the previous year. The premiums stood at € 6.9 million, compared to € 4.6 million as at 31 March 2010. The incidence on total premiums has gone from 38% to the current 44%.

At the same time, the collection from the vehicle product highlights premiums for € 8.7 million, an increase by 14% compared to the € 7.7 million of the same period of last year; its incidence reduced to 56% from 62% of the end of March 2010.

As regards Bancassurance in the non-vehicle non-life segment, the Creacasa products show a marked growth trend, which has led to premiums in the period totalling € 3.2 million compared to € 1.3 million in the first quarter of last year. The non-vehicle non-life coverage for retail customers of the branch networks recorded premiums increasing by +10% to € 3.3 million, due to the commercial appreciation of loan protection products. The premiums connected with the guarantees on leasing products are equal to € 0.4 million, another increase compared to the previous year.

The total portfolio, equal to 148,311 policies, shows a 28% increase, with 30,108 vehicle policies, up by 13% on the 26,596 policies of last year.

The net profit of Credemassicurazioni as at 31 March 2011 equals € 946 thousand, on the increase compared to the result of the same period of the previous year.

The growth in volumes of vehicles policies was accompanied by the acceleration in the collection of non-vehicle non-life premiums, systematically characterised by very low claim levels. In addition, over the quarter, the claims level for the business area connected with vehicle products was not affected by significant events, which further contributed to consolidating the positive economic result as at 31 March.

CREDEMTEL

The “Interbank Corporate Banking” sector, which is based on the offer of client-server and web-based products to banks and companies, accounts for 36.2% of the turnover.

Both products are constantly updated, in accordance with the decisions and the legislation developments adopted by the CBI Consortium. In addition to the banks to which Credemtel provides services in the capacity of STD (*Struttura Tecnica Delegata* - Assigned Technical Centre), the services are currently offered to the market by 5 other banks (which are part of 2 banking groups) which use as STD an important national electronic banking service provider, with which Credemtel has signed a partnership agreement.

Documental Electronic Management services (DEM) generated total revenues representing 59.6% of the total turnover. Despite the difficult economic situation, the area continues to grow, with turnover increases by over 15%. This significant and ongoing progress was made possible by both the quality of our proposal and by the fact that these services generate internal efficiencies in the company’s administrative processes. Therefore, even in a period of crisis, they are proving to be of particular interest for the market.

EUROMOBILIARE FIDUCIARIA

The first quarter of 2011 shows a net profit for € 108 thousand, on the increase compared to the € 55 thousand recorded on 31 March 2010.

Commission income are up to € 472 thousand compared to € 451 thousand as at 31 March 2010. The consolidation of the assets under trust management results in commission income standing substantially firm.

CREACASA

The quarterly report as at 31 March 2011 shows a net profit of € 1.8 million.

The profit obtained shows a strong increase compared to the same period of last year (€ 0.3 million as at 31 March 2011).

The clearly improving performance can be essentially attributed to both a far greater number of mortgages than those granted in the same period of last year and to the budget objectives for the quarter. More in detail, mortgages granted as at 31 March 2011 amounted to € 145.9 million. In line with the objectives was also the average spread of the amounts granted, which stood at 1.47% in the quarter.

Better than expected was also the performance of the placement of insurance products (especially non-life segment), which generated premiums for over € 3.8 million.

From an organisational and commercial point of view, at the end of the quarter the network had 240 agents, in line with the growth objectives for 2011.

The partnership with Assurant Solution for the distribution of CPI policies on the non-life segment was activated in the quarter. Another important commercial initiative that started in the quarter was with the real estate web portal casa.it, in which the Company features alongside other online real estate purchase proposals on the most important national portal for this sector.

TRENDS IN THE MAIN ECONOMIC AGGREGATES

RECLASSIFIED INCOME STATEMENT (€/million)

	3/11	3/10	% change	12/10
interest margin	112.1	109.4	2.5	448.4
non-interest margin	123.9	120.5	2.8	514.1
operating income	236.0	229.9	2.7	962.5
personnel costs	-108.4	-103.5	4.7	-426.2
administrative costs	-56.6	-55.4	2.2	-217.0
operating costs	-165.0	-158.9	3.8	-643.2
gross operating profit	71.0	71.0	-	319.3
amortisation/depreciation	-7.2	-6.8	5.9	-28.8
operating profit	63.8	64.2	-0.6	290.5
provisions for risks and charges	-2.2	-0.4	450.0	-56.7
extraordinary income/charges	-1.1	-0.7	57.1	-3.4
net value adjustments to loans and other financial transactions	-6.8	-25.4	-73.2	-62.1
PROFIT BEFORE TAX	53.7	37.7	42.4	168.3
minority interest profit/loss	-	-	-	-0.1
income taxes for the period	-23.1	-17.6	31.3	-90.2
PROFIT FOR THE PERIOD	30.6	20.1	52.2	78.0
ROE	1.7%	1.1%		4.3%
<i>non-interest margin / operating income</i>	52.5%	52.4%		53.4%
<i>operating costs / operating income</i>	69.9%	69.1%		66.8%
<i>tax rate</i>	43.0%	46.7%		53.6%

KEY:

Interest Margin

- + Item 30 Interest margin
- + Item 240 Profit (loss) from equity investments
- + Item 70 Dividends and similar revenues (solely for the portion relating to dividends from minority equity investments)
- Interest margin Abaxbank (31 March 2010 and 31 December 2010) and Credemvita

Non-Interest Margin

- + Item 60 Net Commissions
- + Item 70 Dividends and similar revenues (solely for the portion relating to dividends from equity investments)
- + Item 80 Net result from trading activities
- + Item 90 Net result from hedging activities
- + Item 100 Profit (loss) from sale or repurchase
- + Item 110 Net result from financial assets and liabilities valued at fair value
- + Item 150 Net premiums
- + Item 160 Other income/expenses from insurance activities
- + Item 220 Other operating income/charges (net of extraordinary items)
- + Interest margin Abaxbank (31 March 2010 and 31 December 2010) and Credemvita

Operating income

(Interest margin + Non-interest margin)

Operating costs

- + Item 180 Administrative costs

Gross operating profit

(Operating income – Operating costs)

Depreciation and amortisation

- + Item 200 Net value adjustments/write-backs to tangible assets
- + Item 210 Net value adjustments/write-backs to intangible assets

Operating Profit

(Gross operating profit – Depreciation/Amortization)

Net provisions for risks and charges

- + Item 190 Net provisions for risks and charges

Extraordinary income / charges

- + Item 100 Profit (loss) from sale or repurchase
- + Item 220 Other operating income/charges (extraordinary items only)
- + Item 270 Profit (loss) from disposal of investments
- + Item 310 Profit (loss) from non-current assets being disposed of, net of taxes

Adjustments to loans, net

- + Item 130 Net value adjustments/write-backs for impairment of loans

Profit before tax

(Operating profit +/- Net provisions for risks and charges - Adjustments to loans +/- Extraordinary income/charges)

ROE

Net profit/(Equity period concerned + Equity end prev. year)

2

INTEREST MARGIN ANALYSIS

	3/11	12/10	3/10	% change
average interest on loans	3.20%	3.09%	3.10%	0.10%
average interest on deposits	-0.71%	-0.58%	-0.59%	-0.12%
Customer spread	2.49%	2.51%	2.51%	-0.02%

The downward trend of the rates seems to have bottomed out.

The strategies to protect the securities portfolio contributed to this positive trend, as did the repositioning of sources of funding.

The customer margin seems to have reversed the negative trend, recording a slight but constant growth for the fourth consecutive quarter.

NON-INTEREST MARGIN ANALYSIS

	3/11	3/10	% change
management and brokerage	52.1	51.2	1.8
banking services	37.9	39.3	-3.6
net commissions	90.0	90.5	-0.6
Abaxbank Operating Income	-	6.4	-100.0
securities trading, exchange rates and derivatives of other companies	14.1	-0.2	n.s.
securities trading, exchange rates and derivatives	14.1	6.2	127.4
operating income insurance segment	5.6	4.2	33.3
other income and charges	14.2	19.6	-27.6
non-interest margin	123.9	120.5	2.8

The market uncertainties and volatility that had impacted on the trend of the income from trading and hedging for the first quarters of 2010 confirm the slowdown registered at the end of the year and gave a considerable contribution to the trading in securities and foreign exchanges segment.

The bancassurance sector continues its growth.

The "Other financial income and charges" component is in line with the trend of the last few quarters; the comparison with the first quarter of 2010 is affected by some non-repeatable component that characterised it.

OPERATING INCOME

	3/11		3/10		change
	amount	% impact	amount	% impact	%
Credito Emiliano	189.1	78.0	187.1	80.6	1.1
Credem International (Lux)	7.1	2.9	5.4	2.3	31.5
Credemleasing	7.8	3.2	7.5	3.2	4.0
Credemfactor	3.5	1.4	2.8	1.2	25.0
Banca Euromobiliare	12.2	5.0	12.0	5.2	1.7
Euromobiliare A.M. SGR	5.5	2.3	5.5	2.4	-
Magazzini Generali delle Tagliate	0.8	0.3	0.8	0.3	-
Credemtel	2.7	1.1	2.6	1.1	3.8
Credemvita	6.3	2.6	4.2	1.8	50.0
Banca Euromobiliare (Suisse)	2.2	0.9	1.7	0.7	29.4
Other Companies	5.2	2.1	2.6	1.1	100.0
aggregate	242.4	100.0	232.2	100.0	4.4
consolidation adjustments	-6.4		-2.3		
Operating Income	236.0		229.9		2.7

OPERATING COSTS

	3/11		3/10		change
	amount	% impact	amount	% impact	%
Credito Emiliano	141.7	83.4	136.7	83.2	3.7
Credem International (Lux)	1.1	0.6	1.1	0.7	0.0
Credemleasing	2.6	1.5	2.3	1.4	13.0
Credemfactor	1.6	0.9	1.6	1.0	-
Banca Euromobiliare	11.7	6.9	12.1	7.4	-3.3
Euromobiliare A.M. SGR	3.2	1.9	3.3	2.0	-3.0
Magazzini Generali delle Tagliate	0.6	0.4	0.6	0.4	0.0
Credemtel	2.2	1.3	2.1	1.3	4.8
Credemvita	1.6	0.9	1.9	1.2	-15.8
Banca Euromobiliare (Suisse)	1.6	0.9	1.5	0.9	6.7
Other Companies	2.1	1.3	1.1	0.5	90.9
Aggregate	170.0	100.0	164.3	100.0	3.5
consolidation adjustments	-5.0		-5.4		
Operating costs	165.0		158.9		3.8

The trend of operating costs, especially personnel costs, were affected by the allocation of the variable components not included in the first quarter of 2010. Without this component, operating costs would have remained substantially unchanged.

GROSS OPERATING PROFIT

	3/11		3/10		change
	amount	% impact	amount	% impact	%
Credito Emiliano	47.4	65.5	50.4	74.2	-6.0
Credem International (Lux)	6.0	8.3	4.3	6.3	39.5
Credemleasing	5.2	7.2	5.2	7.7	-
Credemfactor	1.9	2.6	1.2	1.8	58.3
Banca Euromobiliare	0.5	0.7	-0.1	-0.1	-600.0
Euromobiliare A.M. SGR	2.3	3.2	2.2	3.2	4.5
Magazzini Generali delle Tagliate	0.2	0.3	0.2	0.3	-
Credemtel	0.5	0.7	0.5	0.7	-
Credemvita	4.7	6.5	2.3	3.4	104.3
Banca Euromobiliare (Suisse)	0.6	0.8	0.2	0.3	200.0
Other Companies	3.1	4.2	1.5	2.2	106.7
aggregate	72.4	100.0	67.9	100.0	6.6
consolidation adjustments	-1.4		3.1		
Gross operating profit	71.0		71.0		-

Adjustments to counter credit risk fell slightly, confirming the trend for the whole of 2010, after the very rigorous criteria applied in 2009 as regards write-downs.

The cost of credit (on an annual basis) stands at 0.14%, more than half the figure at the end of 2010 (0.33%).

It is also worth highlighting that starting from 2010, the risk parameters deriving from validated internal models, or models for which work is being carried out for submission of the same to the Supervisory Authority, were extended to the quantification of the collective write-down for the entire credit segment.

The value recovery, amounting to over € 3 million, is mainly due to the introduction of the risk parameters for 2011, which show an improvement compared to the previous ones. The improvement was due to the introduction of the defaults recorded in 2010 in the historic series.

To analyse the results of the period in question, the table below illustrates an analysis of the quarterly financial performance of the previous year and the current year.

	I/10	II/10	III/10	IV/10	2010	I/11
interest margin	109.4	121.5	111.6	105.9	448.4	112.1
non-interest margin	120.5	109.6	124.6	159.4	514.1	123.9
operating income	229.9	231.1	236.2	265.3	962.5	236.0
personnel costs	-103.5	-107.7	-107.8	-107.2	-426.2	-108.4
administrative costs	-55.4	-53.9	-56.0	-51.7	-217.0	-56.6
operating costs	-158.9	-161.6	-163.8	-158.9	-643.2	-165.0
GROSS OPERATING PROFIT	71.0	69.5	72.4	106.4	319.3	71.0
amortisation/depreciation	-6.8	-7.1	-7.6	-7.3	-28.8	-7.2
operating profit	64.2	62.4	64.8	99.1	290.5	63.8
provisions for risks and charges	-0.4	-0.9	-0.1	-55.3	-56.7	-2.2
extraordinary income/charges	-0.7	-1.0	-	-1.7	-3.4	-1.1
adjustments to loans, net	-25.4	-3.8	-9.5	-23.4	-62.1	-6.8
PROFIT BEFORE TAX	37.7	56.7	55.2	18.7	168.3	53.7
minority interest profit/loss	-	-	-	-0.1	-0.1	-
income taxes for the period	-17.6	-23.4	-21.9	-27.3	-90.2	-23.1
PROFIT FOR THE PERIOD	20.1	33.3	33.3	-8.7	78.0	30.6

PROFIT (LOSS) FOR THE PERIOD

	3/11				3/10				
	profit/ loss	adj.	contr. to cons. profit	% impact	profit/ loss	adj.	contr. to cons. profit	% impact	% change
Credito Emiliano	16.2	0.2	16.4	53.6	21.2	-11.5	9.7	48.1	69.1
Credem International (LUX)	5.6	-	5.6	18.3	4.3	-0.3	4.0	19.9	40.0
Credemleasing	2.4	-	2.4	7.8	1.2	-	1.2	6.0	100.0
Credemfactor	1.0	-	1.0	3.3	0.5	-	0.5	2.5	100.0
Banca Euromobiliare	0.3	-	0.3	1.0	-0.4	0.1	-0.3	-1.5	-200.0
Euromobiliare A.M. SGR	1.5	-	1.5	4.9	1.4	-	1.4	7.0	7.1
Credem Private Equity	0.1	-	0.1	0.3	-	-	-	-	n.s.
Magazzini Generali delle Tagliate	0.1	-	0.1	0.3	-	-	-	-	n.s.
Creacasa	1.8	-1.8	-	-	0.3	-	0.3	1.5	-100.0
Credemtel	0.2	-	0.2	0.7	0.2	-	0.2	1.0	-
CredemVita	3.1	-	3.1	10.1	1.5	-	1.5	7.5	106.7
CredemAssicurazioni	0.9	-	0.9	2.9	0.5	-	0.5	2.5	80.0
Euromobiliare Fiduciaria	0.1	-	0.1	0.3	0.1	-	0.1	0.5	0.0
Banca Euromobiliare (Suisse)	0.4	-	0.4	1.3	0.1	-	0.1	0.5	300.0
Other	-	-1.5	-1.5	-4.8	0.0	0.9	0.9	4.5	-266.7
consolidated	33.7	-3.1	30.6	100.0	30.9	-10.8	20.1	100.0	52.2

We provide here (in €/ thousands) the reconciliation between the shareholders' equity and the profit for the period of Credembanca with the results of the Consolidated Financial Statements:

	Shareholders'	of which:
Balances as at 30 March 2011 as per Credem separate financial statements	1,632,523	16,188
Surpluses compared with book values:		
• line-by-line consolidated companies	210,386	15,499
• companies valued under the equity method	(948)	930
Dividends collected during the period	-	-
Goodwill	9,285	-
Elimination of intercompany profits and other adjustments	14,649	(2,018)
Balances as at 30 March 2011 as per consolidated financial statements	1,865,895	30,599

EQUITY AND RISKS

	3/2011	12/2010	12/2009
Regulatory Capital	1,890.8	1,880.8	1,941.4
<i>of which Tier 1 capital</i>	<i>1,454.7</i>	<i>1,438.1</i>	<i>1,413.4</i>
Capital absorption relative to the following risks:			
. credit	1,139.2	1,140.0	1,123.3
. operational	117.0	117.0	121.5
. market	56.9	55.8	110.2
. other calculation elements	-	21.3	45.3
Overall capital requirement	1,313.1	1,334.1	1,400.3
Surplus capital	577.7	546.7	541.1
Tier 1 capital ratio	8.86%	8.62%	8.07%
Total capital ratio (minimum 8%)	11.52%	11.28%	11.09%

As a result of the provision of the Banca d'Italia of 18 May 2010, which changed the prudential treatment of debt securities in European Union countries for the purpose of calculating regulatory capital of Italian banks and banking groups, the Credito Emiliano group resolved to exercise option a) of said provision, neutralising both the gains and related losses recorded in the valuation reserves after 31 December 2009.

This option has been applied to the calculation of regulatory capital since 30 June 2010 and:

- extended to all securities of this type held in the afore-mentioned portfolio;
- applied equally to all members of the banking group;
- maintained constant over time.

The overall capital requirement was € 1,313.1 million against a Regulatory Capital of € 1,890.8 million, with an available margin of € 577.7 million, corresponding to over 30% of the Regulatory Capital.

There is an increase in the available margin of € 31 million with respect to the position as at December 2010, due to the following:

- decrease in the Capital Requirement of € 21 million;
- increase in the Regulatory Capital of € 10 million.

Specifically, the change in Capital Requirement (€ 21 million) was due to:

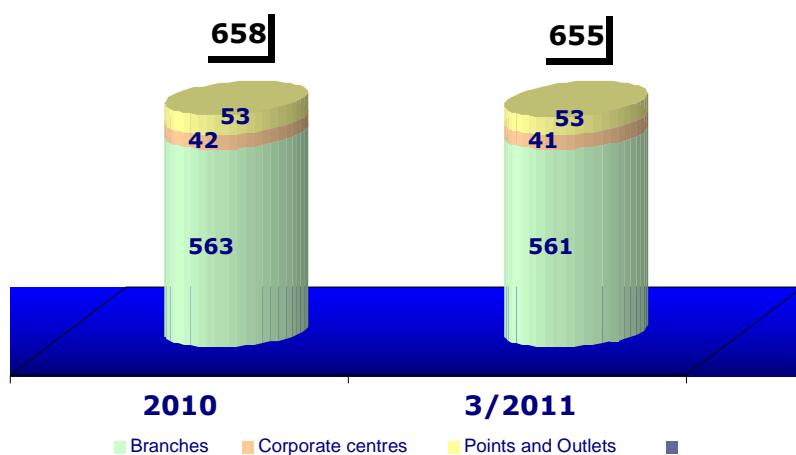
- a reduction of credit risk and other requirements (€ 0.8 million);
- a reduction of market risk (€ 1.1 million);
- a reduction of the other calculation elements (specific capital requirements for € 21.3 million) due to the revocation of the decision by Banca d'Italia following the merger of Abaxbank into Credito Emiliano, whereby a 100% increase in compulsory minimum requirements was imposed in view of the market risk presented by Abaxbank.

Figures as at 31 March 2010 were calculated on the basis of Basel II regulatory provisions. The indications on capital ratios, estimated according to the FIRB (Foundation Internal Ratings Based) method of Basel II, show a Core Tier 1 and a Total Capital ratio of 8.86% and 11.52%, respectively.

GEOGRAPHICAL ORGANISATION AND EMPLOYEES

	3/11	12/10	12/09
Credem	4,961	4,941	5,116
Banca Euromobiliare	215	217	237
Other Companies	396	386	387
TOTAL EMPLOYEES	5,572	5,544	5,740
- Credembanca	534	548	647
- Banca Euromobiliare	333	337	359
TOTAL FINANCIAL ADVISORS	867	885	1,006
Credembanca	541	543	551
Banca Euromobiliare	19	19	23
Banca Euromobiliare (Suisse)	1	1	1
TOTAL BRANCHES	561	563	575
regions of operation	19	19	19
provinces of operations	88	88	88
abroad	1	1	1
Corporate centres	41	42	42
Credempoint	35	35	33
Banca Euromobiliare Financial Outlets	18	18	17

DISTRIBUTION CHANNELS



DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

The undersigned Paolo Tommasini, in my position of Manager responsible for preparing the financial reports of Credito Emiliano SpA, also taking account of the provisions set forth by art. 154-bis, paragraph 2 of Italian Legislative Decree no. 58/98 (TUF), hereby declares that the accounting disclosures contained in this Interim Directors' Report as at 31 March 2011 correspond to the information reported in the accounting books and records.

Reggio Emilia, 13 May 2011

The Manager responsible for preparing the
company's financial reports
Paolo Tommasini
(signed)

ATTACHMENTS

SEPARATE FINANCIAL STATEMENTS

BALANCE
SHEET
INCOME
STATEMENT

Balance Sheet

(in euro)

	Asset	03/31/2011	12/31/2010
10.	Cash and cash equivalents	108,110,775	133,051,362
20.	Financial assets held for trading	816,661,567	313,210,133
30.	Financial assets valued at fair value	49,620,312	47,814,382
40.	Available-for-sale financial assets	4,942,678,722	4,626,471,346
60.	Due from banks	1,510,483,448	1,905,834,647
70.	Loans to customers	18,233,982,407	17,844,036,648
80.	Hedging derivatives	16,198,270	52,927,778
90.	Value adjustments to financial assets subject to macro-hedging (+/-)	20,753,930	39,574,925
100.	Equity investments	340,584,534	451,458,563
110.	Tangible assets	282,696,643	249,499,174
120.	Intangible assets	294,238,667	295,728,114
	- of which: goodwill	240,060,423	240,060,423
130.	Tax assets	136,631,422	145,681,407
	a) current	30,858,028	30,143,895
	b) prepaid	105,773,394	115,537,512
150.	Other assets	532,045,016	479,012,777
	Total assets	27,284,730,713	26,584,301,256

Balance Sheet

(in euro)

	Liabilities and shareholders' equity	03/31/2011	12/31/2010
10.	Due to banks	8,319,384,102	8,082,890,752
20.	Due to customers	11,223,501,919	11,200,630,837
30.	Outstanding securities	4,000,856,527	4,019,984,434
40.	Financial liabilities held for trading	310,511,644	172,623,117
50.	Financial liabilities valued at fair value	340,075,619	350,020,559
60.	Hedging derivatives	137,406,411	185,138,064
70.	Value adjustments to financial liabilities subject to macro-hedging (+/-)	-16,133,716	21,405,403
80.	Tax liabilities	77,399,400	65,874,823
	a) current	32,492,121	26,992,121
	b) deferred	44,907,279	38,882,702
100.	Other liabilities	1,082,779,348	725,281,077
110.	Staff termination indemnity	75,605,981	77,593,325
120.	Provisions for risks and charges:	100,820,685	90,736,140
	a) pensions and similar	1,780,125	1,780,125
	b) other provisions	99,040,560	88,956,015
130.	Valuation reserves	-58,587,788	-98,042,349
160.	Reserves	1,059,478,472	1,001,466,715
170.	Share premium reserve	283,052,330	283,052,330
180.	Share capital	332,392,107	332,392,107
200.	Profit (loss) of the period	16,187,672	73,253,922
	Total liabilities and shareholders' equity	27,284,730,713	26,584,301,256

Income statement

(in euro)

	Items	03/31/2011	03/31/2010
10.	Interest income and similar revenues	159,842,003	162,026,187
20.	Interest expense and similar charges	(60,727,224)	(64,734,010)
30.	Interest margin	99,114,779	97,292,177
40.	Commission income	78,821,863	77,924,634
50.	Commission expense	(13,442,736)	(11,759,948)
60.	Net commissions	65,379,127	66,164,686
70.	Dividends and similar revenues	4,309	12,039,188
80.	Net result from trading activities	10,230,874	(1,039,153)
90.	Net result from hedging activities	338,867	(587,105)
100.	Profit (loss) from sale or repurchase of:	915,803	7,432,293
	b) available-for-sale financial assets	178,402	7,487,091
	d) financial liabilities	737,401	(54,798)
110.	Net result from financial assets and liabilities valued at fair value	(911,892)	(1,719,214)
120.	Operating income	175,071,867	179,582,872
130.	Net value adjustments/write-backs due to impairment of:	(6,097,686)	(22,016,256)
	a) loans	(5,428,970)	(22,006,852)
	d) other financial transactions	(668,716)	(9,404)
140.	Net income from banking activities	168,974,181	157,566,616
150.	Administrative costs:	(141,691,306)	(133,080,776)
	a) personnel costs	(93,398,015)	(87,349,705)
	b) other administrative costs	(48,293,291)	(45,731,071)
160.	Net provisions for risks and charges	(2,164,618)	(313,483)
170.	Net value adjustments/write-backs to tangible assets	(3,414,385)	(3,090,018)
180.	Net value adjustments/write-backs to intangible assets	(2,214,424)	(2,006,545)
190.	Other operating income/charges	12,889,077	12,461,365
200.	Operating costs	(136,595,656)	(126,029,457)
240.	Profit (Loss) from disposal of investments	66,841	5,956
250.	Profit (loss) before tax from continuing operations	32,445,366	31,543,115
260.	Taxes on income from continuing operations	(16,257,694)	(12,017,699)
270.	Profit (loss) after-tax from continuing operations	16,187,672	19,525,416
290.	Profit (loss) for the period	16,187,672	19,525,416

In application of the Banca d'Italia circular dated 17 February 2010, in the part relating to the accounting treatment of some costs functionally linked to personnel, in 2010, several costs were reclassified from "other administrative costs" to "personnel costs"; the same costs in 2010, amounting to € 1,811 thousand, have been reclassified under "personnel costs".

Statement of Comprehensive Income
(in euro)

	Items	31/03/2011	31/03/2010
10.	Profit (loss) for the period	16,187,672	19,525,416
	Other income components net of taxes		
20.	Available-for-sale financial assets	13,650,897	10,033,673
30.	Tangible assets	-	-
40.	Intangible assets	-	-
50.	Foreign investment hedge	-	-
60.	Cash flow hedge	18,809,299	(12,483,433)
70.	Exchange differences	-	-
80.	Non-current assets being disposed	-	-
90.	Actuarial profit (loss) on defined benefit plans	843,761	454,935
100.	Portion of valuation reserves for equity investments valued under at equity	-	-
110.	Total other income components net of taxes	33,303,957	(1,994,825)
120.	Comprehensive income (Items 10+110)	49,491,629	17,530,591

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY *(in euro)*

	Balance as at 12/31/2010	Initial balance changes	Balance as at 01/01/2011	Allocation of previous year's results		Changes during the period							Shareholders' equity as at 03/31/2011	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholder's equity					Comprehensive income 2011		
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares			Stock options
Share capital	332,392,107	-	332,392,107	-	-	-	-	-	-	-	-	-	-	332,392,107
a) ordinary shares	332,392,107	-	332,392,107	-	-	-	-	-	-	-	-	-	-	332,392,107
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	283,052,330	-	283,052,330	-	-	-	-	-	-	-	-	-	-	283,052,330
Reserves	1,001,466,715	-	1,001,466,715	40,014,711	-	17,997,046	-	-	-	-	-	-	-	1,059,478,472
a) profit	998,770,178	-	998,770,178	40,014,711	-	17,997,046	-	-	-	-	-	-	-	1,056,781,935
b) other	2,696,537	-	2,696,537	-	-	-	-	-	-	-	-	-	-	2,696,537
Valuation reserves	-98,042,349	-	-98,042,349	-	-	6,150,604	-	-	-	-	-	-	33,303,957	-58,587,788
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	73,253,922	-	73,253,922	-40,014,711	-33,239,211	-	-	-	-	-	-	-	16,187,672	16,187,672
Shareholders' equity	1,592,122,725	-	1,592,122,725	-	-33,239,211	24,147,650	-	-	-	-	-	-	49,491,629	1,632,522,793

The distribution of Credem dividend for 2010 was resolved by the Shareholders' meeting held on 27 April 2011.